

**Questions for the Record**  
**U.S. House Ways and Means Committee, Subcommittee on Trade**  
**Hearing on Trade and Labor: Creating and Enforcing Rules to Benefit American Workers**  
**March 26, 2019**

**From Representative Gwen Moore to Celeste Drake**

1. Governments, businesses, trade unions, civil society, and international organizations all have important roles in promoting and enabling good governance. What are meaningful actions the AFL-CIO can undertake or have undertaken to fill the gaps in trade agreements and/or domestic policy that directly undermine the level playing field for businesses/labor and undermine the benefits that globalization is supposed to bring?

**The AFL-CIO and its affiliate unions have taken the lead in trying to use the labor provisions of trade agreements to protect the rights of working people around the world. Disappointingly, our efforts have not been as successful as they should have been, in part because the labor obligations of existing U.S. trade agreements contain caveats and loopholes that protect bad actor employers and indifferent governments, rather than vulnerable working people.**

**We believe the best way to offset concentrated employer power is to build worker power, so that working people have a fair opportunity to negotiate for better wages, benefits, and working conditions, not just in the United States, but globally. In turn, raising wages globally would increase demand, increasing opportunities for U.S. businesses to sell more “made in America” goods and services abroad.**

**We have been somewhat successful at enforcing labor obligations using trade preference tools (e.g., GSP and AGOA), but have had less success persuading the U.S. government to use its leverage to enforce labor standards in trade deals such as NAFTA, CAFTA, and the Colombia trade deal.**

**As well, the labor movement can and should continue to organize workers domestically and assist workers in developing countries to build their own capacity to organize and exercise their rights. We could be more successful not only with stronger enforcement of trade deals, but also with a better domestic labor law regime and with adequate U.S. funding for capacity building in our developing country partner countries. Congress can be a partner with us by providing such funding and by supporting legislation such as the PRO Act.**

2. I believe that our trade policies should be sensitive to negative effects on developing countries that may arise from reducing trade barriers. Labor unions in developing countries are generally at a disadvantage when undertaking a collective bargaining process due to the disproportionate bargaining power U.S. companies possess. Please provide examples from recent history where labor unions in other countries have successfully used collective bargaining to negotiate a better contract for union members after overcoming strong resistance from a U.S. employer. Please also describe, in these instances, what barriers

(including the potential lack of enforcement mechanisms) were overcome and lessons learned from those tough negotiations that could be applied elsewhere.

Unfortunately, the examples are far fewer than we would like. Many American companies are among the most vehemently anti-union in world, exporting an aggressively anti-union model that violates basic respect for the freedom of workers to organize and bargain collectively. In 2009, an international alliance of students, labor, and anti-sweatshop activists succeeded in winning reinstatement for illegally fired workers and a pledge not to fight unionization at seven Russell Athletic factories in Honduras. Similarly, after years of struggle that involved not just anti-union rhetoric, but the murder of trade unionists, workers in Colombia won recognition and a contract from U.S.-owned Drummond Coal. From 2008 to 2013 and continuing to today, the United Steelworkers have supported Liberian workers at Firestone, collaborating with them to organize and win a contract that ensures investment not just in employees, but in the community. (See video here: <https://www.usw.org/video/liberia-a-new-day>.) In each of these cases, the workers and their allies played the greatest role in earning recognition and a contract. The U.S. government was not the critical factor in achieving a pro-worker outcome.

Firms that call the United States home have engaged in various forms of worker repression around the world, from captive audience meetings, illegal firings and wage theft, to threats, violence, and [murder](#). In some cases, including the example from Honduras, the United States could and should have done more to ensure that the labor rules of CAFTA were enforced. There is still time for the administration to help in Honduras: the AFL-CIO and Honduran unions filed a labor case under CAFTA that has been pending for more than 7 years.

In other cases, such as Liberia, no trade agreement was in place, even though programs such as GSP and AGOA also have labor rules. The United States has under used its enormous power to open a case on its own, without waiting for working people to gather data and bring a case to its attention. In general, the United States government can and should do more to help protect labor rights in developing countries with whom we trade in a number of ways, including but not limited to:

- Invest in technical assistance and capacity building, including in building labor unions and other democratic institutions in developing countries
- Robustly enforce rules of trade agreements and trade preference programs
- Adequately fund the International Labor Affairs Bureau, an agency within the Department of Labor dedicated to monitoring and enforcing labor rights, including child and forced labor, globally
- Do more to ensure that U.S.-based corporations are good global citizens: the U.S. government does not do enough to ensure that its own companies set a global standard to respect workers and their democratic unions or to ensure that workers in developing countries receive a fair share of the gains they create through their labor.

3. Please explain how the AFL-CIO has evaluated the impact on the surrounding communities of collective bargaining on lowering unemployment rates and increasing wage productivity.

**Although the AFL-CIO lacks the capacity to perform robust original research, the connection between collective bargaining and positive economic outcomes is well established. Tom Palley's "The Economic Case for International Labor Standards" elucidates the case, explaining that labor rights are not just a moral issue, but an economic imperative. Unions have long been known to increase the [productivity](#) of their members, and in non-democratic countries, often provide members with an invaluable introduction to direct democracy. More recently, the International Monetary Fund has recognized that lower unionization is associated with an increase in top income shares, and thus that unions have an important role to play in addressing [income inequality](#). In short, unions, when robust and functional, are critical institutions to promote democracy, equity, and economic growth.**